Programs and Services

Farm and Food Report, Week of March 6, 2006

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2006 HEMP PRODUCTION MEETING TO BE HELD IN CRAIK

The trend-setting town of Craik will be the host of an industrial hemp production meeting on Friday, March 10, 2006. The non-profit Canadian Hemp Trade Alliance (CHTA) and the Saskatchewan Hemp Association are organizing the meeting.

"Because of strong prices and growing hempseed markets, we are happy to be back in Craik for our 2006 production meeting," says Arthur Hanks, executive director of the CHTA and the manager of the SHA.

In 2005, over 87 Saskatchewan producers grew roughly 8,000 acre of industrial hemp. This represents approximately one-third of the total national production.

Hempseed from the 2005 harvest is now being processed into a wide variety of health food and body care products. It is estimated that annual retail sales for hempseed-based products are approximately U.S. $40 million. Some companies are reporting sales increases of 50 per cent in each of the past two seasons.

"We have a growing industry with hemp, and it is important that we do it right," says Hanks. "Our meeting will give producers the information they need to have a successful crop and harvest. We will be talking about agronomics, both organic and conventional, and about the hemp value chain and where the market is going. We'll also look at breeding efforts, contracts, new product development and research and marketing."

Speakers will include Kevin Friesen of Hemp Oil Canada (agronomics), Duane Phillippi of the Farmer Direct Co-operative (marketing and adding value), Andrea Hermann from Hemp Oil Canada (breeding), Martine Carlina of the Hemp Management Group (nutrition and markets) and Hanks himself.

The meeting will be held at the innovative Craik EcoCentre from 10:30 a.m. to 3:00 p.m., with a break for lunch in the onsite Solar Garden Grill. Admission is $10, which includes the lunch and a day-long supply of coffee.

Established in 2004, the CHTA is a national organization of hemp processors, marketers, producers and researchers.

Operating out of Regina, the SHA is a service organization that works with farmers on issues such as hemp licensing, marketing and networking.

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LIVESTOCK PRODUCTION A VIABLE ALTERNATIVE FOR NORTH-CENTRAL PRODUCERS

The abundance of feed and the availability of affordable land in the north-central region of the province constitutes a relatively untapped agricultural opportunity, according to Tanner Bradley, an Agri-Business Development Intern with Saskatchewan Agriculture and Food.

"Given the tough times facing grain farmers, I undertook some research which led me to conclude that the north-central livestock industry could grow substantially, given the right investments," says Bradley. "It would be perfect for someone from outside—from Alberta or another region—who was looking to expand operations. The Prince Albert general area, for instance, is a perfect place to expand because of the affordable land and feed."

Profitability of cultivated agriculture in the north-central region has been significantly reduced over the past decade. The major causes have been increasing transportation costs; increased costs of inputs, such as fuel, fertilizer and chemicals; and a continued downward trend in commodity prices, explains Bradley.

"An excellent alternative use for the land is permanent cover for livestock production. The region has many competitive advantages for livestock production when compared to other jurisdictions in Western Canada."

Bradley says the region is well-suited for livestock production because of the abundance of suitable marginal land that is more productive under permanent cover, compared to cultivated agriculture (i.e. grey soil zone). Land values (for example, in the case of pasture land) in the north central region are among the lowest in Western Canada.

"Pasture quality land sold for an average of $169 per acre over the last two years," he says. "This compares to $269 per acre in southwest Saskatchewan and $486 per acre in southern Alberta. The stocking rates are also more than double (in Animal Unit Months per acre) compared to those same regions.

"There is an oversupply of feed grains and forages grown within the region," Bradley goes on. "The north-central region has three times as much forage production per head of cattle as southern Alberta. There is also three times as much feed barley production per head of cattle. Presently, most of the feed grains are exported to other areas to be fed to livestock."

Bradley points out that this over-supply of feed means there is growth potential for the feedlot industry in the area.

Feed can be purchased at a relatively low cost within the region, compared to other jurisdictions, because of the long distance to a major feed consumption market, like southern Alberta), or a port. The cost is high to transport the commodity to an alternative market.

"The producer will be willing to sell for less within the region to avoid the high transportation costs. Let's face it: increasing transportation costs are continuing to make this impact more significant. This means that a feedlot in the north-central region can purchase feed for less than a feedlot in southern Alberta."

Even though the major processing facilities are located mainly in southern Alberta, Bradley points out that, despite the large distance from north central feedlots, a feedlot in the region has a competitive advantage when feeding costs are compared to the costs of transporting animals to processing facilities.

Bradley feels that there is plenty of room for growth in north-central livestock production, given that less than 19 per cent of their calves are finished in the region. Growth in the north-central finishing sector will mean more economic activity and job creation.

Feedlot development can, and does, have a positive impact on the local area, and it contributes to a more robust, diversified regional economy.

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SASKATCHEWAN AGRI-FOOD VALUE CHAIN WORKSHOPS GO IN-DEPTH

Modules Two and Three of the Saskatchewan Value Chain Initiative workshops will take place in Regina and Saskatoon later this month.

These workshops build on the information contained in Module One, and will provide agricultural entrepreneurs with more information on how to work with businesses to produce and market value-added products, according to Bryan Kosteroski of the Saskatchewan Council for Community Development.

The theme of Module Two is Partnering and Collaboration: How to Approach Retailers. Its purpose is to teach producers how to present a product to the retail market.

"Your first visit to a retailer is very important, so it has to be very impressive," explains Kosteroski. "The module also explains the importance of documentation, tracking systems and having a retail plan for your products."

The module will include a discussion of retailers and their salient characteristics, a profile of the current retail market environment and examples of entrepreneurs' various approaches to retailers.

"Module Two has two objectives," says Kosteroski. "The first is to give entrepreneurs an understanding of the strategic challenges facing food retailers, so that they can develop better partnerships with food service brokers. The second objective is to assist firms in developing actual proposals that can be presented to retail customers."

The third module, Value Chain Development Planning, builds on the knowledge provided by Modules One and Two.

"Module Three will take people who have taken Modules One and Two, and understand the Value Chain Program, and show them how to start gathering the tools and developing the strategies to format a value chain," says Kosteroski. "A lot of it is in collaboration with the people in the commodity groups, the businesses and the retailers."

The module will include detailed reviews of tools and strategies for value chain development - field research program; draft planning development; and value chain plan review, with a discussion and a strategy refinement session.

"The workshop introduces the philosophy of developing capabilities and mentoring the players, as well as refining the projects and proposals to assist in facilitating successful project development."

Michael O'Keefe, a strategy consultant specializing in food retailing and supply, will be one of the co-presenters of Module Three. He has experience in all sectors of the food chain, from retailers to genetic suppliers, and with clients from the U.K., U.S., Canada, South Korea, Japan, New Zealand and Australia. He is Adjunct Professor of Food Chain Management at the University of Queensland in Australia, and he is on the editorial board of Supply Chain Management, an international journal published in the U.K.

Richard Broadwith of BCI Marketing Partners in Guelph, Ontario, will be the other co-presenter. He is a Canadian agri-food industry consultant whose strengths are business analysis, strategic marketing and value-chain development. He has extensive experience with marketing, developing brands and building relationships with producers through to retailers.

The value chain workshops are part of the Saskatchewan Agri-Food Value Chain Initiative which is a strategic partnership of Saskatchewan Agriculture and Food (SAF) and Saskatchewan Council for Community Development (SCCD). In addition to providing training opportunities, both SAF and SCCD administer funding programs to assist Saskatchewan businesses in the development of relationships with other businesses in their value chain.

Module Two will take place on March 21 in Regina, and on March 23 in Saskatoon. Module Three will take on March 22 in Regina, and on March 24 in Saskatoon.

The program brochure can be downloaded from: www.sccd.sk.ca/valuechains.

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NORTHERN LIGHTS AGRICULTURE SEMINAR TO TAKE PLACE IN MELFORT

During periods of low commodity prices, ingenuity and the spirit of enterprise can flow more abundantly, given the opportunity for people to get together share ideas.

That is precisely what a group of agriculture stakeholders in the Melfort area is banking on to make the upcoming Northern Lights Agriculture Seminar on March 10 an event worth attending, according to Saskatchewan Agriculture and Food (SAF) Agri-Business Development Specialist Leroy Bader.

Kevin Hursh, journalist, agrologist, analyst and one of the province's leading advocates of value-added agriculture, will lead a discussion on strategies for profit on the farm. He will address the growing markets for identity-preserved, niche-market crops, the need to move away from low-value commodity crops, and opportunities in the alternative fuel market, including ethanol, bio-diesel and even burning grain for heat.

The event is being held in the Agriculture Society Building on the Melfort exhibition grounds in conjunction with the Cumberland Regional College and other organizations. The afternoon will be an open-format discussion on emerging profit-making solutions from within the agricultural industry—from on-farm strategies to value-added processing and other activities.

This will be followed by an update on a local initiative that touches on precisely the type of strategic industry development that is needed: the NESCO Meats project.

"This is a group of farmers who have been working for over a year and a half on establishing a medium-sized meat slaughtering and processing plant in the region," says Bader. "They are just completing the business plan, and the outlook for the project is very encouraging. All indications are that the project will proceed to the construction phase."

Bader says this initiative a very good example of local people taking control of their destiny and establishing a value-added business. They will share with the audience some of the steps that were required for them to put the project together.

The Northern Lights Agriculture Seminar will run from 1:00 to 4:00 p.m., and admission is free.

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